

LAW OFFICES  
LAUREN A. COLBY  
10 EAST FOURTH STREET  
POST OFFICE BOX 113  
FREDERICK, MARYLAND 21701

ORIGINAL  
FILE

TELEPHONE  
(301) 663-1086  
TELECOPIER  
(301) 695-8734

July 24, 1992

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VIA FEDERAL EXPRESS

FCC MAIL BRANCH

Robert Zauner, Esq.  
Federal Communications Commission  
Hearing Division  
Mass Media Bureau  
2025 M Street, N.W.  
Room 7212  
Washington, D.C. 20554

92-2 /

Dear Mr. Zauner:

By letter dated June 22, 1992, Charles W. Kelly, the Chief of the FCC's Enforcement Division, advised Dry Prong Educational Broadcasting Foundation, the licensee of FM Broadcast Station KVDP, Dry Prong, Louisiana, that questions existed concerning Dry Prong's qualifications to remain a Commission licensee. In particular, Mr. Kelley pointed out that certain allegations had been made against Dry Prong in an FCC hearing and that Dry Prong had not responded to those allegations because they were set forth in a reply pleading.

I am enclosing herewith a declaration of Coy Edwards, which responds to the allegations in question. In his declaration, Reverend Edwards points out, in substance, that there has been a certain degree of confusion between the functions of Dry Prong Educational Broadcasting Foundation, an unincorporated organization, and Dry Prong Educational Broadcasting Foundation, Inc., a tax-exempt corporation which was organized by Reverend Edwards. The declaration also discloses that Reverend Edwards has engaged the services of the undersigned to represent the licensee in attempting to resolve this situation. Additionally, Reverend Edwards has engaged the services of George Rodda, Jr., Esq., an attorney with broad experience in the representation of non-profit Christian churches and schools. I am enclosing herewith a

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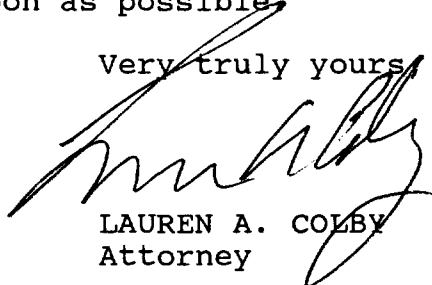
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Mr. Zauner, Esq.  
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declaration from Mr. Rodda, explaining the results of Mr. Rodda's research into this matter and showing what recommendations Mr. Rodda has made in an effort to insure that all donations received by Radio Station KVDP are, in fact, tax-exempt while at the same time insuring that there is no confusion concerning the control of Station KVDP-FM.

The enclosed declarations do not constitute a complete answer to Mr. Kelley's letter. Additional steps must be taken. In particular, the tax-exempt corporation which was dissolved in an effort to demonstrate complete compliance with Commission requirements, must be revived. I am hopeful that this can be accomplished within the next few days or weeks. Thereafter, an application will have to be prepared and filed for assignment of the KVDP license from the unincorporated foundation to the corporation. I expect that such an application can be filed within the next thirty days. I respectfully request your indulgence until the time when the application can be submitted and I assure you that everything will be done to enable that application to be submitted just as soon as possible.

Very truly yours,

A handwritten signature in dark ink, appearing to read 'Lauren A. Colby', is written over the typed name and title.

LAUREN A. COLBY  
Attorney

LAC/slc

Enclosures

cc: A. Dale Smith, Esq.  
George Rodda, Esq.

STATE OF CALIFORNIA

COUNTY OF ORANGE

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## D E C L A R A T I O N

Pursuant to Section 1.16 of the Rules and Regulations of the Federal Communications Commission, George Rodda, Jr., Esq., hereby declares under penalty of the laws of perjury that the following is true and correct:

1. I am an attorney licensed to practice before the courts of the State of California and have also been admitted to practice before the United States Supreme Court and several federal and appeals courts in various jurisdictions and, if called as a witness, would testify to the truth and correctness of the following evidence and testimony.

2. I have legally represented over 1,200 non-profit educational and religious corporations during the period from 1973 to the present. I have also appeared at agency hearings and other proceedings legally representing such corporations and been a member of the board of several non-profit organizations.

3. On or about June 4, 1992, I was consulted by telephone by Reverend Coy B. Edwards, the Chief Executive Officer of Dry Prong Educational Broadcasting Foundation ("Foundation"), an unincorporated trust which I understand holds a license issued by the Federal Communications Commission for the operation of a non-commercial, educational broadcast station in Dry Prong, Louisiana. Reverend Edwards indicated that he had organized a corporation, Dry Prong Educational Broadcasting Foundation, Inc. ("Corporation") and that he had obtained tax exempt status for the Corporation from the Internal Revenue Service. However, the Corporation never actually had a bank account; it never actually transacted any business; and the license for the radio station, KVDP, was never assigned to the Corporation. Under these circumstances, Reverend Edwards was very concerned over the possibility that donations to the radio station might be construed by the IRS as non-tax exempt. He and his local attorney sought my advice as to the best method of making sure that all contributions would be, in fact, tax exempt.

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4. My initial thought was to apply to the IRS for a retroactive tax exemption for the unincorporated Foundation. Therefore, I requested and received authority from Reverend Edwards to proceed in that direction. Thereafter, I examined various documents and discussed the matter with staff members of the Exempt Organizations Internal Revenue Service Regional Office and the Louisiana Secretary of State and its Baton Rouge Office of the Department of Corporations. Upon completion of this research, I have come to the conclusion that the unincorporated Foundation does not qualify for tax exempt status. I have been compelled, therefore, to recommend a different course of action.

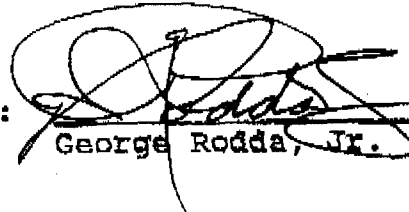
5. I have learned that the tax exempt Corporation has been dissolved. I have also learned, however, that the Corporation can be revived upon an order signed by a circuit judge. I have suggested that this be done and that the Board of Directors of the Corporation should adopt appropriate resolutions, ratifying all of the actions of the principals of the non-profit Foundation and acknowledging all contributions received as contributions to the Corporation. I have also recommended that the Corporation send letter acknowledgments to each of those persons who have made donations, showing that the Corporation accepts those donations as donations to the Corporation. Finally, after consulting with communications counsel, I concur in his recommendation that an application be filed with the Federal Communications Commission to assign the license of Station KVDP to the Corporation.

Further declarant sayeth not.

GEORGE RODDA, JR.

Dated this 24<sup>th</sup>  
day of July, 1992.

By:



George Rodda, Jr.

STATE OF LOUISIANA

PARISH OF RAPIDES

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JUL 27 1992

D E C L A R A T I O N

FCC MAIL BRANCH

Pursuant to Section 1.16 of the Rules and Regulations of the Federal Communications Commission, Coy Edwards hereby declares under penalty of the laws of perjury that the following is true and correct:

1. I make this declaration in response to a letter from Charles W. Kelley, the Chief of the Enforcement Division of the FCC, in which he asked me to respond to certain matters set forth in a reply to opposition to motion to enlarge issues filed with the FCC by Missionary Action Projects ("MAP") on May 1, 1992. As you know, the background of this matter is as follows:

2. Dry Prong Educational Broadcasting Foundation ("Foundation") is an unincorporated foundation having four trustees, namely myself, Leta Edwards, Maxwell E. Latham and Gayle Tyler. In January, 1991, I organized a corporation known as "Dry Prong Educational Broadcasting Foundation, Inc." ("Corporation") with an expanded Board of Directors, and the Corporation applied for and received tax exempt status from the Internal Revenue Service.

3. On April 3, 1992, MAP filed a Motion to Enlarge Issues against the Foundation, alleging that there had been an unauthorized transfer of control of radio station KVDP-FM, from the unincorporated Foundation to the Corporation. On April 22, 1992, the Foundation filed an opposition to the Motion to Enlarge Issues. Attached to the opposition was a declaration executed by me, indicating that no bank account was established for the Corporation; that no tax returns had been filed for the Corporation; and that the Corporation had never actually functioned. Those statements were and continue to be true.

4. On May 1, 1992, MAP filed a reply. Attached to the reply were transcripts of certain broadcasts over the facilities of our radio station, KVDP, in which various members of the Board of Directors participated. MAP alleged that the participation in the radio program of members of the "Board of Directors" was somehow inconsistent with the statements made by me in my declaration of April 20, 1992. I do not agree. The "Board of Directors" consisted of our principal supporters and we looked upon that Board essentially as an advisory group, and not as a formal legal entity.

5. I am not a lawyer. Nevertheless, I have tried very hard to comply with all of the requirements of both the FCC and the IRS. When MAP filed its pleadings, I was stung by the suggestion that we had done anything wrong. On June 4, 1992, long before Mr. Kelley's letter of June 22, 1992, I contacted George Rodda, an attorney who specializes in the representation of Christian, non-profit organizations. Mr. Rodda advised me that he thought he could obtain tax exempt status for the unincorporated Foundation. That being so, I authorized my attorney, A. Dale Smith, to dissolve the Corporation, Dry Prong Educational Broadcasting Foundation, Inc., so that there would be absolutely no implication that the Corporation had, in any way, acquired control of Station KVDP. To that end, Mr. Smith filed the necessary dissolution papers with the State of Louisiana.

6. I also retained Mr. Rodda to obtain a tax exemption for our Foundation. Subsequently, however, Mr. Rodda has advised me that he has not been able to obtain tax exempt status for the Foundation. Instead, Mr. Rodda has advised us to resuscitate the Corporation and to adopt appropriate corporate resolutions, ratifying all actions of the trustees of the Foundation and acknowledging all contributions as contributions received by the tax exempt Corporation. I plan to follow Mr. Rodda's advice.

7. My first concern here is primarily to insure that all of the donations made by our supporters were and are tax exempt. I always represented that the donations were tax exempt; I always believed that they were tax exempt; and I recognize an obligation to our followers to see to it that those donations are tax exempt.

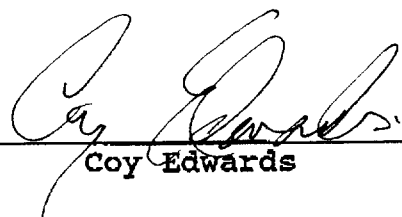
8. I am likewise concerned with full compliance with the requirements of the FCC. To that end, I have consulted with a communications attorney, Lauren A. Colby. Mr. Colby has advised me that, if the Corporation is resuscitated, it would be advisable to assign the station license to the Corporation, so as to avoid the possibility of confusion, both in the minds of the public and in the minds of donors. I have decided to follow that advice and I have directed that as soon as the Corporation is revived, an application be filed for Commission consent to assign the license to the Corporation. I will keep the Commission advised of my progress.

Further declarant sayeth not.

COY EDWARDS

Dated this 23rd  
day of July, 1992.

By:

  
Coy Edwards